

## Demonetisation: As pay day nears, saltmakers open bank accounts for workers

Saltmakers are in a hurry to open the accounts in order to salvage production

Vimukt Dave | Ahmedabad November 30, 2016 Last Updated at 09:52 IST



The cash crunch arising due to

demonetisation has led to salt manufacturers opting for cashless transactions. To avoid liquidity crunch ahead of paydays, salt makers are hurriedly opening bank accounts of direct and contractual workers for depositing salary.

The industry fears that a delay in payment of salaries may impact production as workers may not resume work at manufacturing facilities, leading to at least a 10 per cent loss in overall production. Salt production season is starting now post monsoon.

"Usually we pay labour contractors by cheque and they will pay wages to workers in cash. There are about 400,000 workers associated with salt industry across India and of it nearly 75-80 per cent are migrant workers. If we don't make timely payment of salaries, it may lead to temporary shut down. Hence, salt manufacturers are now opening bank accounts for the workers," said Bharat Rawal, president of All India Salt Manufacturers' Association.

According to Rawal, the association has discussed with district collectors and banks to start camps for opening accounts even as salt units are willing to help workers in availing necessary documents for opening accounts.

Labour contractors say, the biggest issue with migrated workers is that they do not carry appropriate documents with them.

"Documentation is a difficult task. We are trying to manage it and have been asking workers to collect the same from their home towns. It will take some time but with the support of salt manufacturers and banks we are trying to manage it," said Suresh Kumar, a labor contractor in Kutch area.

India produces 27.6 million tonnes of salt a year. Of this, 11.4 million tonnes goes for industrial purposes, six million tonnes for edible use and 6.6 million tonnes is exported. Gujarat is the major producer, of 22.7 million tonnes a year, followed by Rajasthan at 2.4 million tonnes and Tamil Nadu at nearly two million tonnes.

"We have already started the process for cashless transactions. We have started opening bank accounts for our workers and also providing supportive documents to banks for our workers. As of now there is no issue in supply and prices may remain stable in the current scenario," said G S Jhala, chairman and managing director of Dev Salt Private Limited.

According to end user industries of salt such as caustic soda and soda ash players too, the demonetisation has so far had little impact on the industry.

"Demonetisation is good move and we welcome it. In the long run it will be beneficial for all including workers. Supply of raw salt is sufficient as on date and we have no issues with the same," said R S Jalan, managing director of Gujarat Heavy Chemicals Limited (GHCL), one of the leading caustic soda and soda ash producers.